

Message Text

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FM AMEMBASSY BONN

TO SECSTATE WASHDC 731

INFO AMEMBASSY LONDON

AMEMBASSY BRUSSELS

AMEMBASSY THE HAGUE

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

UNCLAS SECTION 1 OF 2 BONN 3199

E.O. 11652: N/A

TAGS: BGEN, GW

SUBJ: OMB REPORT FOLLOW-UP: CONSULTATIONS WITH AMERICAN
BUSINESSMEN ABROAD

REF: A-10168

BEGIN SUMMARY: GEOGRAPHIC DISPERSION OF THE LARGE NUMBER
OF US FIRMS IN GERMANY REQUIRES THAT EACH POST, AS ONE OF ITS
PRINCIPAL ACTIVITIES, DEVELOP AND MAINTAIN ONGOING PERSONAL
CONTACTS WITH US BUSINESSMEN IN ITS DISTRICT.

POSTS FOSTER THESE CONTACTS IN A NUMBER OF DIFFERENT WAYS,
E.G. REGULAR MEETINGS WITH THE LONG-ESTABLISHED AMERICAN
CHAMBER OF COMMERCE IN GERMANY, PERIODIC CALLS ON IMPORTANT
US FIRMS, AND CONSULTATIONS WITH AMERICAN BUSINESSMEN AT
TRADE CENTER SHOWS AND TRADE FAIRS. THE AMBASSADOR TOO
PLAYS A PERSONAL ROLE BY MEETING WITH PROMINENT AMERICAN
BUSINESSMEN RESIDENT IN OR VISITING GERMANY, AND BY BRINGING
TOGETHER KEY BUSINESSMEN TO DISCUSS MATTERS OF SPECIAL
INTEREST. IN OUR VIEW, THE SEMINAR APPROACH MAY BE USEFUL
IN COUNTRIES WHERE INADEQUATE MARKETING INFORMATION AND
NEGATIVE HOST GOVERNMENT ACTIONS AND ATTITUDES REQUIRE
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CLOSE AND FREQUENT MEETINGS WITH EMBASSY PERSONNEL. IN

GERMANY, COMMERCIAL INFORMATION IS READILY AVAILABLE TO AMERICAN FIRMS AND, IN GENERAL, GOVERNMENT POLICIES DO NOT HINDER THEIR ABILITY TO COMPETE EFFECTIVELY IN THE LOCAL MARKET. ONE DEFINITE DRAWBACK WE PERCEIVE IN APPLYING THE SEMINAR APPROACH IN THE VERY COMPETITIVE GERMAN MARKET IS THE RELUCTANCE OF MANY US FIRMS TO DISCUSS FRANKLY AND OPENLY THEIR PROBLEMS IN A GROUP MADE UP OF THEIR COMPETITORS. ON THE OTHER HAND, WE HAVE FOUND THAT OUR DAY-TO-DAY CONTACTS WITH AMERICAN BUSINESSMEN ARE CONDUCIVE TO A FREE EXCHANGE OF INFORMATION, AND THE VIEWS AND INTERESTS THEY EXPRESS ARE FULLY TAKEN INTO ACCOUNT IN OUR REPORTING TO WASHINGTON ON TRADE AND INVESTMENT ISSUES. END SUMMARY.

1. US GOVERNMENT PERSONNEL AT THE EMBASSY AND AT THE SEVEN CONSTITUENT POSTS IN GERMANY HAVE TRADITIONALLY HAD CLOSE AND ONGOING CONTACTS WITH REPRESENTATIVES OF AMERICAN FIRMS IN ORDER TO EXCHANGE INFORMATION ON A BROAD RANGE OF SUBJECTS INCLUDING TRADE, INVESTMENT AND FINANCIAL MATTERS. UNLIKE MOST OTHER COUNTRIES WHERE AMERICAN BUSINESS TENDS TO BE CONCENTRATED IN ONE GEOGRAPHIC AREA (PRINCIPALLY AROUND THE CAPITAL CITY), US BUSINESS INTERESTS ARE SCATTERED THROUGHOUT GERMANY SO THAT EACH POST HAS, AS ONE OF ITS PRINCIPAL RESPONSIBILITIES, THE MAINTENANCE OF CLOSE RELATIONS WITH THE AMERICAN BUSINESS COMMUNITY IN ITS AREA OF JURISDICTION.

2. THESE CONTACTS BY THE POSTS ARE FOSTERED IN VARIOUS WAYS. MANY ARE DEVELOPED AND MAINTAINED THROUGH MEETINGS WITH THE LONG-ESTABLISHED AMERICAN CHAMBERS OF COMMERCE IN GERMANY WHICH HAS BRANCHES IN MAJOR CITIES WHERE LARGE NUMBERS OF AMERICAN FIRMS ARE CONGREGATED. POSTS REGULARLY CALL ON US FIRMS AS PART OF THEIR ONGOING COMMERCIAL AND MARKET ANALYSIS ACTIVITIES. IN BONN, EMBASSY OFFICERS MEET ALMOST MONTHLY WITH THE AMERICAN BUSINESS COMMUNITY WHICH, WITH THE ASSISTANCE OF THE EMBASSY, HAS FORMED AN AMERICAN BUSINESSMEN'S CLUB, WITH THE AMBASSADOR AS ITS HONORARY PRESIDENT. THE STAFF OF THE ECON/COMMERCIAL SECTION IN FRANKFURT FREQUENTLY MEETS WITH AMERICAN BUSINESSMEN WHO ARE EITHER EXHIBITORS AT TRADE CENTER SHOWS OR WHO COOPERATE WITH THE TRADE CENTER STAFF IN PROVIDING NEW-TO-MARKET EXHIBITORS WITH BASIC INFORMATION ABOUT DOING BUSINESS IN

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GERMANY. OUR STAFF IN FRANKFURT ALSO MEETS REGULARLY WITH MEMBERS OF THE AMERICAN BANKING COMMUNITY TO EXCHANGE INFORMATION ABOUT EXPORT TRADE OPPORTUNITIES OF POSSIBLE INTEREST TO AMERICAN FIRMS. IN ADDITION, US FIRMS COOPERATE WITH THE EMBASSY AND THE VARIOUS POSTS IN GERMANY IN PREPARING FOR AND PARTICIPATING IN REVERSE INVESTMENT CONFERENCES.

3. THE AMBASSADOR ALSO PLAYS AN IMPORTANT PERSONAL ROLE

IN MAINTAINING CONTACTS WITH AMERICAN BUSINESS LEADERS IN
GERMANY, THROUGH HIS ATTENDANCE AT IMPORTANT MEETINGS OF

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AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

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THE AMERICAN CHAMBER OF COMMERCE, VISITS TO AND FROM KEY
AMERICAN BUSINESSMEN WORKING IN OR VISITING GERMANY, AND
HOSTING SPECIAL MEETINGS ARRANGED FROM TIME TO TIME WITH
INDUSTRY LEADERS TO DISCUSS IMPORTANT PROBLEMS OF GENERAL
INTEREST TO THE AMERICAN BUSINESS COMMUNITY. FOR EXAMPLE,
AT THE AMBASSADOR'S REQUEST, THE AMERICAN CHAMBER OF
COMMERCE ARRANGED TO HOLD A MEETING OF ITS MULTINATIONAL
COMMITTEE AT THE AMBASSADOR'S RESIDENCE TO DISCUSS WITH
EMBASSY PERSONNEL THE POSSIBLE IMPACT OF THE BURKE-HARTKE
BILL. THE AMBASSADOR IS ALSO A FREQUENT VISITOR AT VARIOUS
TRADE FAIRS IN GERMANY WHERE HE HAS AN OPPORTUNITY TO MEET
WITH AMERICAN BUSINESSMEN AND TO OBTAIN THEIR VIEWS ON TRADE
AND INVESTMENT ISSUES.

4. BY MEANS OF THESE INDIVIDUAL CONTACTS AND THROUGH FRE-
QUENT MEETINGS WITH SENIOR OFFICIALS OF THE AMERICAN CHAMBER
OF COMMERCE IN GERMANY (WHICH REPRESENTS ABOUT 700 US FIRMS),
WE ARE ABLE TO KEEP FULLY ABREAST OF THE KNOWLEDGE AND VIEWS
OF US INDUSTRY. THESE VIEWS ARE TAKEN FULLY INTO ACCOUNT
IN THE EMBASSY'S REPORTING ON CURRENT ECONOMIC AND COMMER-

CIAL ISSUES.

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5. THE SEMINAR APPROACH TO MAINTAINING CLOSE CONTACTS WITH AMERICAN INDUSTRY LEADERS AND EXPLORING INDUSTRY PROBLEMS WOULD SEEM TO BE A USEFUL MECHANISM IN COUNTRIES WHERE LANGUAGE, CUSTOMS AND HOST GOVERNMENT POLICIES MAKE IT PARTICULARLY DIFFICULT FOR AMERICAN FIRMS TO COMPETE EFFECTIVELY IN THE LOCAL MARKET WITHOUT THE DIRECT AND FREQUENT ASSISTANCE OF US GOVERNMENT OFFICIALS. IN GERMANY VIRTUALLY ALL OF THE INFORMATION A US FIRM MAY NEED TO COMPETE IS READILY AVAILABLE FROM THE MANY AMERICAN BANKS, LAW OFFICES AND BUSINESS CONSULTANT FIRMS WHICH HAVE BEEN ESTABLISHED HERE FOR MANY YEARS. IN GENERAL, MARKETING INFORMATION AND GERMAN GOVERNMENT POLICIES AFFECTING TRADE, INVESTMENT AND FINANCE ARE WELL KNOWN TO US INDUSTRY HERE, AND THERE IS RELATIVELY LITTLE NEED FOR ESTABLISHED US FIRMS TO TURN TO THE POSTS FOR ASSISTANCE.

6. FROM OUR POINT OF VIEW, THE SEMINAR APPROACH HAS ONE DEFINITE DRAWBACK. IT HAS BEEN OUR EXPERIENCE THAT US FIRMS IN THE VERY COMPETITIVE GERMAN MARKET ARE MOST RELUCTANT TO DISCUSS IN ANY DEPTH PROBLEMS THEY MAY ENCOUNTER IN THEIR INDIVIDUAL INDUSTRY SECTORS IN THE PRESENCE OF THEIR AMERICAN COMPETITORS. FOR THIS REASON, WE BELIEVE THAT MOST AMERICAN FIRMS WOULD NOT WISH TO PARTICIPATE IN A SEMINAR ALONG THE LINES EMPLOYED IN TOKYO. ON THE OTHER HAND, WE BELIEVE THAT OUR DAY-TO-DAY CONTACTS WITH AMERICAN BUSINESSMEN DO RESULT IN A FRANK EXCHANGE OF INFORMATION. IN OUR VIEW, THIS APPROACH, TOGETHER WITH THE OTHER TECHNIQUES DESCRIBED ABOVE, ARE BEST SUITED TO HELP US KEEP OUR FINGERS ON THE PULSE OF ECONOMIC/COMMERCIAL DEVELOPMENTS IN GERMANY AND ON THE CONCERNS AND VIEWS OF AMERICAN BUSINESS IN THE FRG.HILLENBRAND

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